

200.0400(c) BASE YEAR VALUE TRANSFER – DISASTER RELIEF

See Disaster Relief

200.0402 Availability. The provisions of Revenue and Taxation Code section 69 are designed to provide disaster relief by permitting the transfer of base year value when property is damaged or destroyed in an area declared by the Governor to be in a state of disaster. Damage to or destruction of individual property may well constitute a disaster to its owner; however, such loss is not eligible for section 69 relief if the damage is not the result of a disaster declared by the Governor. C 9/21/89.

200.0420 New Construction—Additions. Where new construction is added to a replacement property after the owner has qualified for the transfer of a base year value from property damaged or destroyed by a disaster, as declared by the Governor, the value of the new construction may be added to the value of the replacement property that qualified for transfer of the base year value, provided that the entire transaction, including the new construction, meets the time and value limits set forth in Revenue and Taxation Code section 69. C 6/24/98.

200.0430 Replacement Property. Revenue and Taxation Code section 69 permits the base year value of property which is substantially damaged or destroyed by a disaster to be transferred to comparable property which is acquired or newly constructed as a replacement for the substantially damaged or destroyed property if the property is damaged by a major misfortune or calamity and located in an area declared to be in a state of disaster by the Governor; if the damaged property sustains physical damages amounting to more than 50 percent of its full cash value immediately prior to the disaster; if the replacement property is located in the same county as the damaged property and is acquired or newly constructed within two years after the disaster; if the replacement property is comparable to the damaged property in size, utility, and function; and if the buyer of the replacement property was the owner of the damaged property at the time of damage. When the base year value is transferred to the replacement property, the damaged property is reassessed at its current full cash value.

Only if the replacement property was acquired or newly constructed on or after July 1, 1985, can the adjusted base year value be transferred from damaged property to replacement property. "Property" means the appraisal unit as defined in Revenue and Taxation Code section 51(e), the unit people in the market typically buy and sell. Thus, if the \$200,000 full cash value of a residential property consisted of a land value of \$110,000 and an improvement value of \$90,000, and only the improvement was destroyed by a disaster, the owner could not transfer the base year value because the appraisal unit did not sustain damages amounting to more than 50 percent of its full cash value prior to the disaster. Finally, in the event the damaged property is reconstructed, that reconstruction is not eligible for property tax relief under section 70(c) but rather, it is deemed to be new construction. LTA 3/10/87 (No. 87/23).

200.0431 Replacement Property. If the owner of a two story residence removes what is left of the second story after a fire and reconstructs and roofs the first story, assessment relief would be possible under Revenue and Taxation Code section 70 or section 170. If, however, a replacement residence is constructed, relief would not be available under these sections. After July 1, 1985, relief under Revenue and Taxation Code section 69 would be available for the new residence, providing all the requirements of the section were met. The context in which the terms "replacement" and "reconstruction" are used in the sections makes it clear that these terms are not intended to be synonymous. C 7/10/86.

[200.0450](#) **Time Limitations.** Revenue and Taxation Code section 69 does not prescribe a time limitations period within which a claim for transfer of a base year value must be filed. The five-year period prescribed by section 69 does not apply to claim filing but rather, is a qualifying requirement for the acquisition or new construction of replacement property. When a claim for transfer is filed, any relief for taxes paid is available only for those years not barred by the applicable statute of limitations for refund claims. C 11/2/2000.